

**IN THE SPECIFICATION**

**Please replace paragraph no. 0031 with the following amended paragraph:**

The input logic 150 further comprises allocation logic 165 that determines the manner in which the business expenditures are allocated ~~165~~ to the various defined departments. The term “business expenditures” refers to expenses, investments and/or any utilization of resources that a business makes in its day to day operation. For example, business expenditures can be one or more of a monetary short-term and long-term expense. Business expenditures are often categorized under named business accounts such as, for example, office supplies, computer equipment, depreciation, payroll, tow motor vehicles, utilities, property tax, etc., to name just a few.

**Please replace paragraph no. 0040 with the following amended paragraph:**

In another embodiment, cost logic 185 further comprises department cost logic 190 which determines the transaction cost of a single item in each department. The transaction cost of an item in each department is determined from the transaction costs incurred and the number of items processed or handled in each department for a time period. That is, the item logic 180 accepts, retrieves and/or obtains data pertaining to the number of items processed or handled by each department, and is used to determine transaction costs on a per item basis. Data pertaining to the quantity and/or identity of ~~and an~~ item can be entered by the user or can be imported from the business operations system 130. For example, the transaction cost of an item in each department can be calculated by summing the expenditures that were allocated to each department and dividing by the number of items processed in each department. In such case, the result is an average transaction cost of an item in each department.